

**Tasking Memorandum No. 99- 229**

**Memorandum for Cdrs DCMDs, DCMC CAOs**

**Subject:** Contract Reconciliation and "Fast Track"

**Date:**

**Suspense Date:** July 15, 1999 (For Initial Fast Track Candidates)

**Target Audience:** Administrative Contracting Officers (ACOs)

**Background:**

- One of our major delays in closing out contracts within the FAR-mandated timeframes is final reconciliation.
- As part of an ongoing effort to improve the contract closeout process, the Defense Contract Management Command (DCMC) and the Defense Finance and Accounting Service (DFAS) have developed a new concept, "Fast Track," to expedite the closure of contracts paid by the DFAS Columbus Center.
- Fast Track allows for the closure of contracts meeting certain performance and financial criteria without the laborious and time-consuming steps of contract reconciliation.
- DFAS is conducting a "test" of Fast Track procedures for expediting the final reconciliation between DFAS and the funding stations.
- Fast Track will shorten the amount of time needed for accounting/financial adjustments and therefore shorten the amount of time and effort required by ACOs to manage contracts awaiting final reconciliation or accounting adjustments.
- DCMC closeout actions under the Fast Track concept are the same as those actions taken on other contracts prior to movement to Section 5, including determination that a contract is physically complete and that all administrative actions are complete.
- The establishment of two new MOCAS R9 remarks will assist ACOs in managing those contracts awaiting only DFAS accounting adjustment before closeout, and assist DCMC and DFAS in identifying Fast Track candidates.
- The use of these new R9 remarks does not replace the requirement for ACOs to insert R2 overage reason codes and estimated completion dates on all overage contracts.

**Requirements:**

- Reconciliation:
  - The ACOs will annotate in MOCAS the R9 code "XR" (ACO Complete, Awaiting Final Recon), for those contracts which 1) require reconciliation prior to closeout, and 2) meet the attached conditions for awaiting final reconciliation.
- Fast Track:
  - No later than July 15, 1999, and monthly thereafter, DCMC-OA (in coordination with District POCs) will nominate from the population of contracts coded "XR" those that meet the Fast Track criteria developed by DFAS and agreed to by DCMC.
  - For this phase of Fast Track, DFAS will notify the DCMC Customer Liaison when the contract has been accepted into Fast Track, and our customer liaison office

will notify the ACO. The **ACO** will then add an additional **R9** code in MOCAS, "XF" (Fast Track).

- Once accepted for Fast Track, DFAS will move the contract to Section 4, make accounting/financial record adjustments as necessary, and then move the contract to Section 5 after completion of adjustments.
- The **ACO** entry of the **R9** XF remark signifies all **ACO** actions are complete. The **ACO** shall therefore document the file that the contract is administratively complete by either:
  - Signing and dating the screen print showing the **R9** XF remark and filing it with the official contract file, or
  - Entering into the electronic contract file the date that the **R9** XF remark was entered into MOCAS, the **ACO's** electronic signature, and the date of electronic signature.
- The **ACO** shall retain the contract file until DFAS completes the Fast Track process and moves the contract to Section 5. After DFAS movement of the contract to Section 5, the **ACO** will retire his/her files IAW existing file disposition instructions.
- Based on lessons learned during this phase of Fast Track closeout, additional guidance and procedures will be developed.

**Points of Contact for Further Information:**

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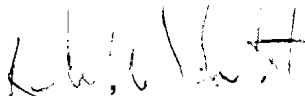
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**Signature:**



Jill E. Pettibone  
Executive Director  
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Attachment:

DFAS/DCMC Memorandum Dated January 15, 1999, Contract Closure  
Without Financial and Accounting Reconciliation

JAN 15 1999

MEMORANDUM FOR DIRECTORS, DEFENSE FINANCE AND ACCOUNTING SERVICE  
CENTERS  
COMMANDERS, CONTRACT ADMINISTRATION OFFICES,  
DEFENSE CONTRACT MANAGEMENT COMMAND

SUBJECT: Contract Closure Without Finance and Accounting Reconciliation

The Defense Contract Management Command and the Defense Finance and Accounting Service (DFAS) jointly developed a concept, Fast Track, to expedite the closure of contracts managed at the DFAS Columbus Center. Fast Track allows for the closure of contracts that meet certain performance and financial conditions without the laborious and time-consuming steps of contract reconciliation.

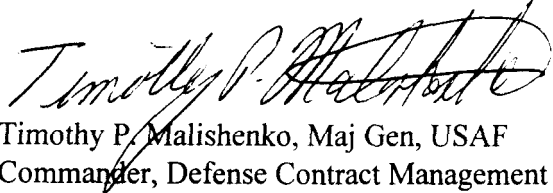
The contracts targeted for Fast Track meet the following conditions: contract completion, positive or zero unliquidated obligation balance at the contract level, and Accounting Classification Reference Number (ACRN) level financial error.

Resolving ACRN level financial errors normally requires hundreds of hours of effort and delays contract closure by months and sometimes by years. We anticipate Fast Track would require less than 90 days to complete.

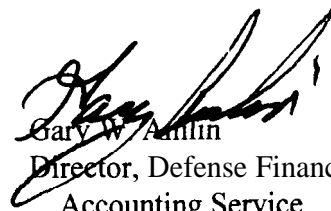
Approximately 12,000 completed contracts in the Mechanization of Contract Administration Services (MOCAS) are candidates for Fast Track. We will prototype Fast Track using 500 of the 12,000 contracts, and the lessons learned from the prototype will be used to develop final policy and processing instructions prior to implementing Fast Track for the other contracts.

The Administrative Contracting Officers will identify candidate contracts to the DFAS Columbus Center. The Columbus Center will confirm with the accounting stations via the lead accounting center (the Center supporting the contracting and or program activity for the contract in question) that the contract has a zero or positive obligation balance at the contract level in the accounting system. If these conditions are met, the contract will be closed in MOCAS by realigning disbursements among ACRNs to clear ACRN level financial errors. Once completed, the Columbus Center will forward the results of its effort to the lead Center. The lead Center will develop proposed adjustments to close contract obligations in the accounting records and forward the proposed adjustments to the program manager for the contract who will coordinate the adjustments with the funds managers. Once notified of approval by the program manager, the lead Center will coordinate the adjustment process among the accounting stations and close the contract in the accounting records.

With your help, we can close contracts that otherwise would divert our resources from more pressing, higher interest, contract issues. Our points of contact are Ms. Cynthia Brice, DCMC-OE, (703) 767-3437; Mr. Joseph Mickley, DFAS-HQ/FCC; (703) 607-1 198, and Lt Col Bruce Schroeder, DFAS-HQ/AOC, (703) 607-3948.



Timothy P. Malishenko, Maj Gen, USAF  
Commander, Defense Contract Management  
Command



Gary W. Anlin  
Director, Defense Finance and  
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**Conditions for Awaiting Final Reconciliation**  
**R9 Remark “XR” (ACO Complete, Awaiting Final Recon)**

R9 “XR” (ACO Complete, Awaiting Final Reconciliation) shall be added into MOCAS, for completed contracts meeting all of the following conditions:

1. Contract requires final reconciliation by DFAS-Columbus.
2. The ACO has requested reconciliation from DFAS-Columbus in accordance with Assumption #43 of Revision 8 (Draft) to the DCMC/DFAS/DMC Concept of Operations:
  - a) The ACO has reconciled at a minimum to the ACRN level,
  - b) All obligation reconciliations are certified on the DLA 1797 by the ACO, and
  - c) All funding issues resolved.
3. Contract is shipped complete and final accepted by the government.
4. The Line Item Schedule and Shipment Record (LISSR) in MOCAS has been balanced or identified by the ACO in the ACO notebook remarks field in MOCAS, as completed and agreed to by the DCMC Industrial Specialist.
5. No outstanding invoices – the contractor has billed and has been paid in full
6. All special closeout actions as required by FAR 4.804, DFAR 204.804, and the DCMC One Book Closeout Chapter 10.2, with the exception of FAR 4.804-5( 15) – contract funds review -- have been completed.
7. No adverse open actions, such as demand letters, legal issues, etc., are pending.